

Under Article VII-A of the Liquor Control Act of 1934 (235 ILCS 5/1-1 et seq.), every warehousemen in Illinois who stores any alcoholic liquors for compensation shall make application to the Department for a Certificate of Registration for each location where alcoholic liquors are stored. See 86 Ill. Adm. Code 420.120. (This is a GIL).

February 25, 2002

Dear Xxxxx:

This is in response to your letter dated November 16, 2001 in which you request a private letter ruling. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/Laws/regs/part1200>.

In your letter you stated and made inquiry as follows:

I am looking for a private letter ruling on my storage situation. I was sent my 'Illinois Liquors Tax Certificate of Registration' for my two facilities. I was also sent two forms (RL-51 and RL-52). These forms are inappropriate for my business because I am simply a landlord who rents space to my tenants who may store wine in privately secured lockers. I have no right to inventory their personal property. The facts are as follows:

- I will rent small, private lockers in my wine cellar to people where they can store their wine in ideal conditions. I will have anywhere between **100 and 250 customers** at each facility. Most users will be private individuals. Some will be retail users such as restaurants. We maintain a strict tenant-landlord relationship with our customers. We never have care, custody, or control of their storage items, much like an apartment landlord has no idea if one of his tenants is storing wine in their apartment.
- I will accept deliveries for my customers and put the wine into their personal locker if they choose to leave me a key. We do not get involved in paying for any wine or for the deliveries. We just sign for the package and put it away.
- I will deliver a customer's wine to them by retrieving it from their locker at their request and bring it to them in our vehicle (local deliveries only). I will charge my customer a transportation fee for doing so.

I will not be doing any of the following:

- Selling alcohol.
- Buying alcohol.
- Consigning alcohol.
- Having care, custody or control of any customer's alcohol.

- Allowing consumption of alcohol on our premises.

What do I need to do in order to be in compliance with regulations? Indeed it seems that I may not need any sort of permit.

Please let me know where I stand.

Please find enclosed for your reference a copy of Department regulations regarding warehousing of liquors, 86 Ill. Adm. Code 420.120. Under Article VII-A of the Liquor Control Act of 1934 (235 ILCS 5/1-1 et seq.), every warehousemen in Illinois who stores any alcoholic liquors for compensation shall make application to the Department for a Certificate of Registration for each location where alcoholic liquors are stored. See 35 ILCS 5/7A-2; 86 Ill. Adm. Code 420.120(a). The term "alcoholic liquors" is defined under the Act to include wine. See 235 ILCS 5/1-3.05. A warehouseman is "any person, firm, partnership, association or corporation owning, controlling, operating, managing or leasing any warehouse within this State". A warehouse includes "any room, house, structure, building, place, yard or protected enclosure wherein personal property belonging to another is stored for compensation". Providing storage for compensation means "any direct or indirect charge for storage". See Section 420.120(e)(1)-(3). Therefore, a person who stores wine belonging to another for a charge in Illinois is considered a warehouseman storing alcoholic liquors for compensation and must be in possession of a Certificate of Registration from the Department. The certificate must be conspicuously displayed on the premises for which it is issued.

Every warehouseman holding a Certificate of Registration issued by the Department is required to file a monthly return with the Department and covering the preceding month which states:

- 1) The name of the warehouseman;
- 2) the number of his Certificate of Registration;
- 3) the address of the warehouse;
- 4) the name and address of each person from whom any alcoholic liquors were actually or constructively received by him as a warehouseman;
- 5) the date or dates on which such alcoholic liquors were so received;
- 6) the number and size of the containers in which any alcoholic liquors were so received;
- 7) the number and size of the containers to the credit of each such person at the end of the preceding calendar month;
- 8) the name and address of each person to whom any alcoholic liquors were actually or constructively delivered by him as a warehouseman;
- 9) the date or dates on which the same were so delivered;
- 10) the number and size of the containers in which any alcoholic liquors were so delivered; and
- 11) from whom any alcoholic liquors so delivered were actually or constructively received.

If no liquors were in storage in any month, the return must still be filed so indicating. See 86 Ill. Adm. Code 420.120(b)(1)-(11).

As there is no exemption from the requirements of Article VII-A of the Liquor Control Act for a warehouseman conducting business under the facts as described in your letter, you are subject to the reporting requirements under the Act and must file a monthly RL-51 and RL-52 with the Department. Violation of the requirements of Article VII-A and the Department regulations governing the administration and enforcement of those requirements will subject a person to Class B misdemeanor charges. See 235 ILCS 5/7A-6.

I hope this information has been helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales and use tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

Sincerely,

Dana Deen Kinion
Associate Counsel

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